



February 14, 2001

SENATE BILL No. 235

DIGEST OF SB 235 (Updated February 12, 2001 12:41 PM - DI 52)

Citations Affected: IC 13-11; IC 13-18; IC 16-18; IC 16-41; noncode.

Synopsis: Sewage disposal systems. Permits the budget agency to provide grants to political subdivisions from the supplemental drinking water assistance fund for repair and replacement of failing sewage disposal systems. Establishes the sewage disposal system fund for the purpose of providing grants to local health departments for educational efforts designed to improve the sanitation and safety of sewage disposal systems. Directs the budget agency, after consultation with interested entities, to establish terms and conditions under which it will provide the grants.

Effective: Upon passage; July 1, 2001.

Gard, Howard, Craycraft, Hershman

January 9, 2001, read first time and referred to Committee on Environmental Affairs.
February 13, 2001, amended, reported favorably — Do Pass.

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SB 235—LS 7569/DI 52+



February 14, 2001

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

SENATE BILL No. 235

A BILL FOR AN ACT to amend the Indiana Code concerning sanitation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 13-11-2-201 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 201. (a) "Sewage
3 disposal system", for purposes of IC 13-18-12 and **IC 13-18-21**, means
4 septic tanks, wastewater holding tanks, seepage pits, cesspools, privies,
5 composting toilets, interceptors or grease traps, portable sanitary units,
6 and other equipment, facilities, or devices used to:
7 (1) store;
8 (2) treat;
9 (3) make inoffensive; or
10 (4) dispose of;
11 human excrement or liquid carrying wastes of a domestic nature.
12 (b) "Sewage disposal system", for purposes of IC 13-18-21,
13 includes:
14 (1) a residential sewage disposal system (as defined in 410
15 IAC 6-10-2, as in effect on March 1, 2001); and
16 (2) a commercial on-site wastewater disposal facility (as
17 defined in 410 IAC 6-10-2, as in effect on March 1, 2001).

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SECTION 2. IC 13-18-21-23, AS AMENDED BY P.L.132-1999,
SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2001]: Sec. 23. Money in the supplemental fund may be used
to do the following:

(1) Provide grants, loans, or other financial assistance to or for the
benefit of participants for the planning, designing, acquisition,
construction, renovation, improvement, or expansion of public
water systems and other activities necessary or convenient to
complete these tasks, whether or not those other activities are
permitted by the federal Clean Water Act or the federal Safe
Drinking Water Act.

(2) Provide grants, loans, or other financial assistance to or for the
benefit of political subdivisions for the planning, designing,
acquisition, construction, renovation, improvement, or expansion
of wastewater or ~~stormwater~~ **storm water** collection and
treatment systems and other activities necessary or convenient to
complete these tasks, whether or not those other activities are
permitted by the federal Clean Water Act or the federal Safe
Drinking Water Act.

**(3) Provide grants to political subdivisions for repair and
replacement of failing sewage disposal systems.**

(4) Pay the cost of administering the supplemental fund and the
supplemental program.

~~(4)~~ **(5)** Conduct all other activities that are permitted by the
federal Clean Water Act or the federal Safe Drinking Water Act.

SECTION 3. IC 13-18-21-25, AS AMENDED BY P.L.132-1999,
SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2001]: Sec. 25. (a) The budget agency may make grants or
loans or provide other financial assistance from the supplemental fund
for the benefit of a participant under the following conditions:

(1) A grant, loan, or other financial assistance may be used:

(A) for planning, designing, acquiring, constructing,
renovating, improving, or expanding public water systems, and
other activities necessary or convenient to complete these
tasks;

(B) to:

(i) establish reserves or sinking funds; or

(ii) provide interest subsidies;

(C) to pay financing charges, including interest on the loan
during construction and for a reasonable period after the
completion of construction; or

(D) to pay the following:



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(i) Consultant, advisory, and legal fees.

(ii) Other costs or expenses necessary or incident to the grant, loan, or other financial assistance or the administration of the supplemental fund or the supplemental program.

(2) The budget agency must establish the terms and conditions that the budget agency considers necessary or convenient to make grants or loans or provide other financial assistance under this chapter.

(b) In addition to its powers under subsection (a), the budget agency may also make grants or loans or provide other financial assistance from the supplemental fund to or for the benefit of a political subdivision under the following conditions:

(1) A grant, loan, or other financial assistance may be used:

(A) for planning, designing, acquiring, constructing, renovating, improving, or expanding wastewater or ~~stormwater~~ **storm water** collection and treatment systems, and other activities necessary or convenient to complete these tasks;

(B) to:

(i) establish reserves or sinking funds; or

(ii) provide interest subsidies;

(C) to pay financing charges, including interest on the loan during construction and for a reasonable period after the completion of construction; or

(D) to pay the following:

(i) Consultant, advisory, and legal fees.

(ii) Other costs or expenses necessary or incident to the grant, loan, or other financial assistance or the administration of the supplemental fund or the supplemental program.

(2) A grant may be used to pay the costs of repair and replacement of failing sewage disposal systems.

(3) The budget agency must establish the terms and conditions that the budget agency considers necessary or convenient to make grants or loans or provide other financial assistance under this chapter.

SECTION 4. IC 16-18-2-40.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 40.5. "Budget committee", for purposes of IC 16-41-25.5, refers to the budget committee established by IC 4-12-1-3.**

SECTION 5. IC 16-18-2-328.3 IS ADDED TO THE INDIANA



CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2001]: **Sec. 328.3. "Sewage disposal system",**
for purposes of IC 16-41-25.5, has the meaning set forth in
IC 13-11-2-201(a). The term includes:

- (1) a residential sewage disposal system (as defined in 410 IAC 6-8.1-17, as in effect March 1, 2001); and
- (2) a commercial on-site wastewater disposal facility (as defined in 410 IAC 6-10-2, as in effect March 1, 2001).

SECTION 6. IC 16-41-25-4 IS ADDED TO THE INDIANA CODE
AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
1, 2001]: **Sec. 4. A local health department may apply for a grant**
from the sewage disposal system fund established under
IC 16-41-25.5 to pay the costs of:

- (1) educational programs designed to inform the public about the health, sanitation, and safety concerns associated with sewage disposal systems;
- (2) the preparation of informational materials concerning the proper installation, use, and maintenance of sewage disposal systems;
- (3) continuing education opportunities for local health departments to aid them in effectively monitoring and regulating sewage disposal systems; and
- (4) the preparation of surveys of sewage disposal systems, including the collection of information regarding the condition of the systems.

SECTION 7. IC 16-41-25.5 IS ADDED TO THE INDIANA CODE
AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2001]:

Chapter 25.5. Sewage Disposal System Fund

Sec. 1. As used in this chapter, "budget committee" refers to the budget committee established in IC 4-12-1-3.

Sec. 2. As used in this chapter, "sewage disposal system" has the meaning set forth in IC 16-18-2-328.3.

Sec. 3. (a) The sewage disposal system fund is established for the purpose of providing grants to local health departments for educational efforts designed to improve the sanitation and safety of sewage disposal systems. The budget agency shall administer the fund.

(b) The fund consists of the following:

- (1) Appropriations made by the general assembly.
- (2) Grants and gifts intended for deposit in the fund.
- (3) Interest, premiums, gains, and other earnings on the fund.



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(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The budget agency shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds are invested. Interest, premiums, gains, and other earnings from the investments shall be credited to the fund.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 4. (a) In administering the fund, the budget agency shall establish a written procedure for making grants to local departments for purposes described in section 3(a) of this chapter.

(b) The procedures established under subsection (a) must include at least procedures for the following:

- (1) Identification of activities that qualify for funding.
- (2) Selection of local health departments to be awarded grants.
- (3) Determination of the amount of funding each local health department may receive.
- (4) Reporting to the budget committee the:
 - (A) results of the selection process; and
 - (B) status of local health department activities.

(c) The budget agency may seek technical assistance from the state department of health and any other appropriate state agency in determining eligibility for funding under this chapter.

(d) The budget agency shall annually present a report to the budget committee that describes the activities funded under this chapter.

Sec. 5. A grant under this chapter may be used to pay the costs of:

- (1) educational programs designed to inform the public about the health, sanitation, and safety concerns associated with sewage disposal systems;
- (2) the preparation of informational materials concerning the proper installation, use, and maintenance of sewage disposal systems;
- (3) continuing education opportunities for local health departments to aid them in effectively monitoring and regulating sewage disposal systems; and
- (4) the preparation of surveys of existing sewage disposal systems, including the collection of information regarding the condition of the systems.



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1 SECTION 8. [EFFECTIVE UPON PASSAGE] (a) The budget
2 agency shall adopt procedures before July 1, 2001, to implement
3 IC 16-41-25.5, as added by this act.

4 (b) The budget agency shall consult with representatives of:

5 (1) local health departments;

6 (2) cities and towns;

7 (3) counties;

8 (4) owners of sewage disposal systems; and

9 (5) other entities identified by the budget agency that have an
10 interest in the procedures to be adopted under subsection (a);
11 in developing the procedures to be adopted under subsection (a).

12 (c) This SECTION expires July 2, 2001.

13 SECTION 9. [EFFECTIVE UPON PASSAGE] (a) Not later than
14 September 1, 2001, the budget agency shall establish the terms and
15 conditions under which it will make grants to political subdivisions
16 to pay the costs described in IC 13-18-21-25(b)(2), as added by this
17 act.

18 (b) The budget agency shall consult with representatives of:

19 (1) political subdivisions;

20 (2) owners of sewage disposal systems; and

21 (3) other entities identified by the budget agency that have an
22 interest in the terms and conditions to be established under
23 subsection (a);

24 in developing the terms and conditions to be established under
25 subsection (a).

26 (c) This SECTION expires September 2, 2001.

27 SECTION 10. An emergency is declared for this act.

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SENATE MOTION

Mr. President: I move that Senators Howard, Craycraft and Hershman be added as coauthors of Senate Bill 235.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Environmental Affairs, to which was referred Senate Bill No. 235, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning sanitation.

Page 1, line 2, after "Sec. 201." insert "(a)".

Page 1, line 3, after "IC 13-18-21" insert ",".

Page 1, between lines 11 and 12, begin a new paragraph and insert:

"(b) "Sewage disposal system", for purposes of IC 13-18-21, includes:

(1) a residential sewage disposal system (as defined in 410 IAC 6-10-2, as in effect on March 1, 2001); and

(2) a commercial on-site wastewater disposal facility (as defined in 410 IAC 6-10-2, as in effect on March 1, 2001)."

Page 2, line 9, strike "stormwater" and insert "**storm water**".

Page 2, line 13, delete "educational" and insert "**repair and replacement of failing sewage disposal systems.**".

Page 2, delete lines 14 through 15.

Page 3, line 10, strike "stormwater" and insert "**storm water**".

Page 3, line 25, delete "of:" and insert "**of repair and replacement of failing sewage disposal systems.**".

Page 3, delete lines 26 through 37.

Page 3, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 4. IC 16-18-2-40.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 40.5. "Budget committee", for purposes of IC 16-41-25.5, refers to the budget committee established by IC 4-12-1-3.

SECTION 5. IC 16-18-2-328.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 328.3. "Sewage disposal system", for purposes of IC 16-41-25.5, has the meaning set forth in IC 13-11-2-201(a). The term includes:

(1) a residential sewage disposal system (as defined in 410 IAC 6-8.1-17, as in effect March 1, 2001); and

(2) a commercial on-site wastewater disposal facility (as defined in 410 IAC 6-10-2, as in effect March 1, 2001).

SECTION 6. IC 16-41-25-4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

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1, 2001]: **Sec. 4.** A local health department may apply for a grant from the sewage disposal system fund established under IC 16-41-25.5 to pay the costs of:

- (1) educational programs designed to inform the public about the health, sanitation, and safety concerns associated with sewage disposal systems;
- (2) the preparation of informational materials concerning the proper installation, use, and maintenance of sewage disposal systems;
- (3) continuing education opportunities for local health departments to aid them in effectively monitoring and regulating sewage disposal systems; and
- (4) the preparation of surveys of sewage disposal systems, including the collection of information regarding the condition of the systems.

SECTION 7. IC 16-41-25.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]:

Chapter 25.5. Sewage Disposal System Fund

Sec. 1. As used in this chapter, "budget committee" refers to the budget committee established in IC 4-12-1-3.

Sec. 2. As used in this chapter, "sewage disposal system" has the meaning set forth in IC 16-18-2-328.3.

Sec. 3. (a) The sewage disposal system fund is established for the purpose of providing grants to local health departments for educational efforts designed to improve the sanitation and safety of sewage disposal systems. The budget agency shall administer the fund.

(b) The fund consists of the following:

- (1) Appropriations made by the general assembly.
- (2) Grants and gifts intended for deposit in the fund.
- (3) Interest, premiums, gains, and other earnings on the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The budget agency shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds are invested. Interest, premiums, gains, and other earnings from the investments shall be credited to the fund.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 4. (a) In administering the fund, the budget agency shall



establish a written procedure for making grants to local departments for purposes described in section 3(a) of this chapter.

(b) The procedures established under subsection (a) must include at least procedures for the following:

- (1) Identification of activities that qualify for funding.
- (2) Selection of local health departments to be awarded grants.
- (3) Determination of the amount of funding each local health department may receive.
- (4) Reporting to the budget committee the:
 - (A) results of the selection process; and
 - (B) status of local health department activities.

(c) The budget agency may seek technical assistance from the state department of health and any other appropriate state agency in determining eligibility for funding under this chapter.

(d) The budget agency shall annually present a report to the budget committee that describes the activities funded under this chapter.

Sec. 5. A grant under this chapter may be used to pay the costs of:

- (1) educational programs designed to inform the public about the health, sanitation, and safety concerns associated with sewage disposal systems;
- (2) the preparation of informational materials concerning the proper installation, use, and maintenance of sewage disposal systems;
- (3) continuing education opportunities for local health departments to aid them in effectively monitoring and regulating sewage disposal systems; and
- (4) the preparation of surveys of existing sewage disposal systems, including the collection of information regarding the condition of the systems.

SECTION 8. [EFFECTIVE UPON PASSAGE] (a) The budget agency shall adopt procedures before July 1, 2001, to implement IC 16-41-25.5, as added by this act.

(b) The budget agency shall consult with representatives of:

- (1) local health departments;
- (2) cities and towns;
- (3) counties;
- (4) owners of sewage disposal systems; and
- (5) other entities identified by the budget agency that have an interest in the procedures to be adopted under subsection (a);



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in developing the procedures to be adopted under subsection (a).

(c) This SECTION expires July 2, 2001."

Page 4, between lines 4 and 5, begin a new paragraph and insert:

"(b) The budget agency shall consult with representatives of:

(1) political subdivisions;

(2) owners of sewage disposal systems; and

(3) other entities identified by the budget agency that have an interest in the terms and conditions to be established under subsection (a);

in developing the terms and conditions to be established under subsection (a)."

Page 4, line 5, delete "(b)" and insert "(c)".

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 235 as introduced.)

GARD, Chairperson

Committee Vote: Yeas 8, Nays 0.

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